

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2130
ANSWERED ON:01.12.2000
FOREIGN INSURANCE COMPANIES
RUPCHAND PAL

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have decided to allow automatic clearance to Foreign Insurance Companies investing in the country as partner in joint ventures; and

(b) if so, the reaction of the therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEDB VIKHE PATIL)

(a) & (b) Since foreign equity investment in an insurance company is subject to a cap of 26% under Insurance Act, 1938, the Government has allowed automatic approval for Foreign Direct Investment (FDI) in insurance sector, subject to clearance by the Insurance Regulatory and Development Authority.